

A nonprofit organization operating a clinic to aid victims of mind-affecting drugs and providing information concerning such drugs qualifies for exemption under section 501(c)(3) of the Code.

The Internal Revenue Service has been asked whether the nonprofit organization described below qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization was formed to aid victims of hallucinatory drugs and to disseminate information concerning such drugs. It operates a drug rescue center staffed by volunteer counselors experienced in dealing with drug abuse. The counselors minister to persons at the center and maintain a 24-hour a day telephone crisis service where a person with a drug problem may call for help. Such persons are treated or given instructions on how to remedy adverse effects of drug use and how to counteract recurring hallucinations. In severe cases a counselor is sent to the individual. The center is on the referral list of a medical society as a drug rescue service.

The organization provides free of charge printed information regarding the dosages and physical effects of mind-affecting drugs. The information contains instruction in the relief of adverse effects of drugs and includes an extensive bibliography of written material on drugs. Speakers are sent by the organization to local high schools to speak on the problem of drug abuse. The possession of certain of the drugs about which the organization provides information is illegal under Federal statutes and most State statutes. The organization is not engaged in attempting to secure new laws governing drugs and does not engage in any activities relating to the influencing of legislation.

The income of the organization is derived from contributions. All funds are expended for the programs of the organization.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable or educational purposes, no substantial part of the activities of which consists of attempting to influence legislation.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term 'charitable' is used in section 501(c)(3) of the Code in its generally accepted legal sense.

Section 1.501(c)(3)-1(d)(3) of the regulations defines the term 'educational' as including the instruction of the public on subject useful to the individual and beneficial to the community.

In the general law of charity, the promotion of health is considered to be a charitable purpose. See Rev. Rul. 69-545, C.B.

1969-2, 117. By operating a drug rescue service that aids victims of drug abuse in relieving adverse reactions to drugs, the organization is promoting health and thereby accomplishing a charitable purpose.

By providing instruction in the remedies to reduce or counteract the adverse effects of mind-affecting drugs, the organization is instructing the public on subject useful to the individual and beneficial to the community.

Accordingly, it is held that the organization qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Exemption Application, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.